FILED
JANICE K. BREWER
SECRETARY OF STATE

State of Arizona Senate Forty-eighth Legislature First Regular Session 2007

CHAPTER 133

SENATE BILL 1067

AN ACT

AMENDING SECTIONS 15-445, 15-825.02 AND 15-991.01, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona: Section 1. Section 15-445, Arizona Revised Statutes, is amended to read:

15-445. Residents of unorganized territory; school district elections

- A. The county school superintendent, on receiving notification from the state school superintendent pursuant to section 15-825.02, subsection B, shall do all of the following before calling an election:
- 1. Establish the boundaries of the proposed unified school district, taking into consideration communities of interest and excluding Indian reservations and other federal lands where reasonable to do so. During the period that the county school superintendent is considering the new school district boundaries, the county school superintendent shall conduct at least two public meetings at which public testimony is heard and questions are answered.
- 2. Identify adjacent school districts that accept at least twenty-five per cent of their open enrollment or certificate of educational convenience students from the unorganized territory and that are willing to accept the unorganized territory into the existing school district. IF THERE IS ONLY ONE ADJACENT SCHOOL DISTRICT THAT MEETS THESE CRITERIA, THE BOUNDARIES OF THAT SCHOOL DISTRICT SHALL BE REESTABLISHED TO INCLUDE THE UNORGANIZED TERRITORY WITHOUT AN ELECTION.
- 3. IF THERE IS MORE THAN ONE ADJACENT SCHOOL DISTRICT THAT MEETS THE CRITERIA PRESCRIBED IN PARAGRAPH 2 OF THIS SUBSECTION, prepare a pamphlet and a ballot question that includes the proposed boundaries and identifies existing adjacent school districts that are willing to accept the unorganized territory into the existing school district. The pamphlet shall be mailed to each household with one or more qualified electors. The pamphlet and ballot shall require the voters within the boundaries proposed by the county school superintendent to select either establishing a new unified school district within the boundaries proposed or joining JOIN an existing adjacent school district. The pamphlet and ballot shall include the full cash value, the assessed valuation and the estimated amount of the primary property taxes and the estimated amount of the secondary property taxes under each of the ballot options for each of the following:
- (a) An owner occupied residence whose assessed valuation is the average assessed valuation of property classified as class three, as prescribed by section 42-12003 for the current year in the school district.
- (b) An owner occupied residence whose assessed valuation is one-half of the assessed valuation of the residence in subdivision (a).
- (c) An owner occupied residence whose assessed valuation is twice the assessed valuation of the residence in subdivision (a).

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- (d) A business whose assessed valuation is the average of the assessed valuation of property classified as class one, as prescribed by section 42-12001, paragraphs 12 and 13 for the current year in the school district.
- B. The county school superintendent shall schedule the election on the next available general election date allowed by law.
- C. After a canvass of the vote and a determination by the county school superintendent that a majority of the voters approves the establishment of a new unified school district, the county school superintendent shall notify the state board of education that the school district is established and that the new unified school district will become operational at the beginning of the next school year. The county school superintendent shall appoint the initial governing board of the new unified school district.
- D. If the newly established unified school district is not able to provide a complete academic program to the students within the school district, the newly established unified school district may transport the students to an adjacent school district pursuant to section 15-824.
- E. C. On a canvass of the vote and a determination by the county school superintendent that a majority of the voters approves joining an existing adjacent school district, the county school superintendent shall notify the existing school district of the following:
- 1. That the boundaries of the school district shall be revised to include the property identified in the boundaries established by the county school superintendent.
- 2. That the school district shall provide the same educational services that are currently provided to students who reside in current boundaries of the school district to all students within the revised boundaries at the beginning of the next school year.
- F. A school district that is formed pursuant to this section is not eligible for the small school adjustment prescribed in section 15-949, the small school district weight prescribed in section 15-943 or the small isolated school district weight prescribed in section 15-943.
- Sec. 2. Section 15-825.02, Arizona Revised Statutes, is amended to read:

15-825.02. <u>Certificates of educational convenience; cap:</u> <u>unorganized territory</u>

A. If the annual number of certificates of educational convenience or students attending through open enrollment into an adjacent school district from a single unorganized territory exceeds one hundred fifty, the superintendent of public instruction shall notify the county school superintendent and the county school superintendent shall notify the residents of the unorganized territory that the residents are required to organize into their own school district or JOIN an adjoining unified school district.

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- B. The superintendent of public instruction shall notify the county school superintendent that the conditions prescribed in subsection A have occurred and the county school superintendent shall prepare a ballot question to be voted on by the residents of the unorganized territory at the next general election to determine whether to form a new unified school district or join an adjacent existing school district.
- C. Students attending an adjacent existing school district through open enrollment or through certificates of educational convenience that were approved before notification by the superintendent of public instruction pursuant to subsection B may continue enrollment in that existing school district until the unorganized territory becomes or joins a school district. Any students attending an adjacent existing school district through open enrollment or through certificates of educational convenience shall be allowed to continue enrollment in that existing school district even if the unorganized territory votes to form a new unified school district or joins with a different adjacent school district. Any sibling of a student who continues to attend an adjacent existing school district through open enrollment or a certificate of educational convenience shall also be allowed to attend the same adjacent existing school district.
- D. If the residents of the unorganized territory vote to form a new unified school district:
- 1. Notwithstanding any other law, the newly formed unified school district is not entitled to receive any monies for elementary school facilities from the school facilities board until the district's student count in kindergarten programs and grades one through eight exceeds five hundred ninety-nine.
- 2. Notwithstanding any other law, the newly formed unified school district is not entitled to receive any monies for high school facilities from the school facilities board until the district's student count in grades nine through twelve exceeds five hundred ninety nine.
- 3. Until the newly formed unified school district's student count in kindergarten programs and grades one through eight reaches six hundred, each pupil in kindergarten programs and grades one through eight who resides in the newly formed unified school district shall be enrolled in a school district that provides instruction in that pupil's grade and that has sufficient capacity to enroll nonresident pupils. The newly formed unified school district shall be responsible for transportation costs incurred pursuant to this paragraph.
- 4. Until the newly formed unified school district's student count in grades nine through twelve reaches six hundred, each pupil in grades nine through twelve who resides in the newly formed unified school district shall be enrolled in a school district that provides instruction in that pupil's grade and that has sufficient capacity to enroll nonresident pupils. The newly formed unified school district shall be responsible for transportation costs incurred pursuant to this paragraph.

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Sec. 3. Section 15-991.01, Arizona Revised Statutes, is amended to read:

15-991.01. <u>Tax levy for property not located in a school</u> district

- A. The board of supervisors of each county, at the time of levying other taxes, shall annually levy a tax on property not located in a school district. The tax levy shall be at a rate equal to one-half the qualifying tax rate prescribed in section 15-971, subsection B, paragraph 2, per one hundred dollars of assessed valuation used for primary property taxes. The tax shall be levied and collected in the same manner as general county taxes on the property. The tax levy provided for in this section is not subject to title 42, chapter 17, articles 2 and 3. The monies received pursuant to this section shall be transmitted by the county treasurer to the state treasurer to be deposited in the state general fund to aid in school financial assistance.
- B. The reduction in taxes prescribed in section 15-972 applies to taxes levied pursuant to this section on residential property, except that the state shall not make the payments prescribed in section 15-972, subsection H for this reduction in taxes.
- C. This section does not apply to territory that was previously unorganized but that is currently part of a school district that is established or joined pursuant to section 15-445.

APPROVED BY THE GOVERNOR APRIL 24, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 24, 2007.

